



**DEPARTMENT OF FAIR EMPLOYMENT  
AND HOUSING  
*ENFORCEMENT DIVISION*  
*DIRECTIVE***

**DIRECTIVE  
NUMBER  
402**

**DISTRIBUTION  
DATE  
October 1, 1998**

1. **SUBJECT: REPORTING OF SETTLEMENT BENEFITS**
2. **PURPOSE:** To set forth the procedures for reporting benefits obtained for a complainant as the result of the settlement of a complaint or a "make whole" offer by the respondent.
3. **PROCEDURES:**
  - A. **Closure Code:**
    - 1) Settlement benefits **MUST** be reported for all complaints closed with Closing Categories 07, 16, 19, 21, 22, 33, 34, 50 and 52. Benefits that are not accepted by the complainant (Closing Categories 17, 18, and 24) will not be reported.
    - 2) Settlement benefits **MUST** be reported for complaints closed with Closing Categories 30, 31, 32, 53 and 54 where there is an order in favor of the complainant.
  - B. **Reporting Benefits:**
    - 1) Only those monetary benefits verified at the time a complaint is closed should be reported as part of the closure. Benefits that are prospective or affirmative in nature should be reported at the time of closure by the appropriate non-monetary benefit code.

**Example:** A job which has an actual start date can be reported as a benefit at the time of closure and can be annualized. A promise of the next available job would be reported, but only by the benefit code.
    - 2) Benefits should be reported on the closing report (DFEH-600-20) in the space provided and include the following information:
      - a) Number of Persons Benefitted: There should be at least one person benefitted.

- b) Settlement Dollar Benefits: This figure will indicate the amount of any monetary settlement such as lost wages or lump sum payment. If there have been deductions, gross figures should be used.
- c) Annualization: This is the amount of monetary benefits calculated for a one year period from the date the benefit begins. Annualization would be appropriate for benefits such as hire, reinstatement, promotion and salary adjustments. Calculations can only be made when specific start dates are stated in the agreement and verification can be made prior to closing.
- An annualization (where hire or reinstatement is the benefit) will be calculated by multiplying the monthly wage by 12, the weekly wage by 52 or the hourly wage by 2,080. The value of fringe benefits is to be calculated in the same way (e.g., monthly health insurance premium paid by the respondent multiplied by 12).
  - An annualization (where a promotion or salary increase is the benefit) will be calculated by multiplying the difference between the old salary and the new salary by 12 if it is monthly, by 52 if it is weekly, or by 2,080 if it is hourly.
- d) Total: The total amount should equal the dollar benefit amount plus the Annualization.

**Example:** A settlement in an employment complaint where the complainant received a lump sum of \$1,000, was reinstated immediately with a salary of \$1,200 per month, and was offered training would be reported as follows:

Persons Benefitted	<u>1</u>
a. Settlement	\$ <u>1,000</u>
b. Annualization	\$ <u>14,400</u>
Total (a + b)	\$ <u>15,500</u>
Benefit Codes	<u>100</u> <u>105</u> <u>203</u>

- e) Monetary Benefit Codes: When referencing the types of monetary benefits, the monetary benefit codes on the back of the EDP Update/Closure Report (DFEH-800-02) will be used.
- f) Other benefits: The non-monetary benefit codes listed on the EDP Update/Closure Report (DFEH-800-02) will be used to identify non-monetary benefits on closing reports for employment cases. Code 630 is will be used for Unruh cases which are not housing cases.

- g) Where companion cases are settled by one agreement, money not directly attributable to one party will be divided equally between the cases.
- h) The EDP Update/Closure Report (DFEH-800-02) provides space for entering dollar benefits, the annualization and the total.
- i) Only dollar amounts should be entered. All entries will be rounded off to the nearest dollar omitting commas or decimal points (e.g., \$1,000.75 would be rounded to \$1001).

4. **APPROVAL:**

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Nancy C. Gutierrez, Director

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Date